

Would extend Assistance for Laid-Off Workers Impacted by Recession

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WASHINGTON, DC— With the unemployment rate remaining high as a result of the recession, Congressman Joe Sestak (PA-07) introduced legislation to ensure necessary assistance for unemployed workers to purchase health insurance. The Extended COBRA Continuation Protection Act of 2009 extends by six months a provision from the Economic Stimulus Bill that provides 65 percent of health insurance premiums to individuals eligible for COBRA benefits who have been involuntarily terminated during the economic recession.

"As a result of the compromises required to pass the Economic Stimulus Bill, 900,000 fewer Americans have re-entered the workforce than would have under the version I initially supported," said Congressman Sestak. "There are 14.9 million Americans looking for work and 5.4 million Americans facing unemployment of longer than 27 weeks. As a result, some of the unemployment programs included in the Stimulus have proven insufficient to serve the urgent needs of so many working families. For example, federal assistance for unemployed workers' COBRA premiums will end as soon as November, but many of these workers have yet to find a new job despite seeking employment. We need to continue to provide these benefits during this especially difficult time for job seekers."

The bill extends COBRA benefits in three main ways. First, it extends by 6 months-- from 9 to 15 months-- the total allowable time an unemployed worker can receive COBRA premium assistance. This will allow workers who enrolled in the program in February to continue on until at least May 2010. Second, it extends this assistance to individuals who are involuntarily terminated between January 1 and June 30, 2010. Third, it extends eligibility for traditional COBRA coverage an additional 6 months, from 18 to 24 months, for those terminated at the beginning of the economic recession in 2008. No extended COBRA premium assistance or

extended COBRA benefits would extend beyond December 31, 2010.

"Millions of Americans are still feeling the very real effects of this economic crisis. We should not allow these critical benefits for unemployed Americans to expire at a time when workers need them most," continued Congressman Sestak.

Congressman Sestak has advocated for expanded COBRA benefits since entering office. He introduced H.R.694, the COBRA Coverage Extension Act of 2009, which would have extended COBRA coverage to 24 months. Further, he supported an amendment to H.R. 3200, the America's Affordable Health Choices Act, allowing individuals currently receiving COBRA health insurance coverage to stay on that coverage until new health insurance exchanges are in place. This amendment was adopted in the House Education and Labor Committee on which Congressman Sestak sits.